The Regional Municipality Of Durham

FINANCIAL REPORT 1985

DURHAM

87-00062/

MESSAGE FROM THE REGIONAL CHAIRMAN

Our community has experienced another successful year both in financial gains and economic benefits. I am personally very pleased with our achievements.

Financially, the 1985 results are excellent. The general levy increase and the water and sewer rate increase on the average rate payer in Durham were held below inflation. At the same time, by continuing the spending restraints of the Region's elected and appointed officials, a surplus of $4.7 million resulted. This strong fiscal showing is in keeping with past years and permits the Region to maintain similar financial responsibility for 1986 and future years. These surplus balances were used in 1986 to offset increased taxation and user charges.

Once again, in 1985 no debenture financing was required for our capital projects. As a result, the Region's per capita debt for general municipal activities continues to decline. At the same time, the per capita debt for water and sewer purposes was reduced in 1985 by approximately 10%, reflecting the "pay as you go" trend over the past few years.

There were many economic highlights in 1985, including the expansion and relocation by businesses of all sizes. The biggest development occurred early in 1986, when General Motors announced a $2 billion investment program in Oshawa which will include facilities for the manufacture of new product lines and to improve current production methods. This announcement by General Motors is an exceptional development which will reinforce Durham's claim that it is the hub of the automotive industry. Moreover, with the upturn in the Ontario economy and the automotive sector in particular, in 1985, the Region experienced a dramatic decrease in welfare caseloads which will have a favourable effect on our community.

The attached report of the Commissioner of Finance and the financial statements attest to the strong financial position of the Region. I believe our municipality will continue to grow and develop within the framework of sound, fiscal policies and the strong financial base exhibited by these financial statements. I have always been proud of the accomplishments of our municipality and those of our area municipalities and I look forward to the new achievements to be gained for the benefit of the community at large in 1986.

G. Herrema,
Regional Chairman.

REGIONAL COUNCIL

CHAIRMAN

GARY HERREMA

COUNCILLORS

TOWN OF AJAX

- William McLean
  Jim Witty

TOWN OF NEWCASTLE

- John Winters
  Ann Cowman
  Diane Hamre
  Marie Hubbard

TOWN OF PICKERING

- John Anderson
  Robert Mitchell
  Alex Robertson
  Norah Stoner

TOWN OF WHITBY

- Robert Attersley
  Tom Edwards
  Gerry Emm

CITY OF OSHAWA

- Allan Pilkey
  John Aker
  Michael Armstrong
  Pauline Beal
  Linda Dionne
  Cy Elsey
  Irv Harrell
  Edward Kolodzie
  Allan Mason
  Brian Nicholson
  Doug Wilson

TOWNSHIP OF BROCK

- Allan McPhail
  Keith Shier

TOWNSHIP OF SCUGOG

- Jerry Taylor
  Lawrence Malcolm

TOWNSHIP OF UXBRIDGE

- Gerri Lynn O'Connor
  Donald Jackson

• Denotes Mayor of Municipality

CHIEF ADMINISTRATIVE OFFICER

D. R. EVANS, MA. Sc., P. Eng.

FINANCE DEPARTMENT

J. L. GARTLEY, CMA, AMCT
COMMISSIONER OF FINANCE AND TREASURER

R. J. CLAPP, CA
DIRECTOR OF TREASURY SERVICES

E. DEHAAN, CMA
MANAGER OF ACCOUNTING

R. D. SIBLOCK, CMA
MANAGER, REVENUES & RECEIVABLES

G. A. PATERSON, CMA
DIRECTOR OF ADMINISTRATIVE SERVICES

E. R. LAMBERT, CA
MANAGER, BUDGETS & ECONOMIC STUDIES

J. S. LORNE, CET, MBA
MANAGER, SUPPLY & SERVICES

AUDITOR

DELOITTE, HASKINS & SELLS, CHARTERED ACCOUNTANTS

BANKER

CANADIAN IMPERIAL BANK OF COMMERCE

MANAGERS OF FISCAL AGENCY

— BELL, GOUINLOCK & COMPANY, LIMITED —
— DOMINION SECURITIES LIMITED —
— WOOD GUNDY LIMITED —

DURHAM

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DURHAM

ANNUAL REPORT
OF THE TREASURER AND COMMISSIONER OF FINANCE

FOR THE YEAR 1985

PREFACE

It is my privilege to present the Financial Statements for the Regional Municipality of Durham for the year ended December 31, 1985, including the Auditor's Report thereon, and to highlight some of the exceptional financial and economic activities and events which occurred during the year.

The audited financial statements presented herein have been prepared in accordance with accounting principles generally accepted by municipalities in Ontario. The accounting principles used are those judged to be most appropriate under the circumstances with significant accounting policies described in the accompanying Notes to the Financial Statements.

To ensure that transactions are accurately recorded on a timely basis, properly approved, and result in reliable financial statements, the Region maintains an extensive system of internal accounting controls. The adequacy and preparation of the control systems are monitored on an ongoing basis by the Treasury Services Section of the Region's Finance Department.

The firm of Deloitte, Haskins and Sells, Chartered Accountants, through their Auditor's Report have expressed an independent and informed judgement as to whether the Region's financial statements present fairly the Municipality's financial position and results of its operation in conformity with generally accepted accounting principles.

The Auditor's Report is based on the findings from an examination of the Region's accounting systems, procedures and internal controls and is conducted in accordance with generally accepted auditing standards.

The financial information contained in my Annual Report, which follows, is consistent with the annual audited financial statements.

THE YEAR IN REVIEW

- Economic Highlights

The economy has continued to rebound from the recession of the early 80's. In 1985, the Region of Durham set unprecedented records in all sectors of the economic sphere - industrial development, commercial construction, government/institutional construction and residential growth. Confidence in Durham as a place for business investment and as a place to live is increasing.

The Region recorded a 34% increase in building permit value from 1984 to 1985, with the most significant increase in residential building activity.

The appeal of lower housing and mortgage costs, combined with a more spacious living environment is proving a boon to the economic health of the Region. The estimated value of building permits for new residential units went up by 55.7% in 1985 over the previous year's total from $189,526,430 to $295,134,899. This represents a total of 4,300 units of which 3,730 are single family units. The Region of Durham is committed to providing affordable housing which in turn will be a catalyst for continued growth and development in other market segments such as commercial and industrial.

Both Industrial and Commercial Construction, show approximatley 8% growth from the figures recorded in 1984. Building permit activity in the industrial sector increased from $77,515,950 to $83,685,372 while the commercial grew from $41,447,657 to $44,452,882.

As a result of this growth the Region's unemployment rate dropped significantly in 1985. Employment opportunities were created as a result of the construction of some 25 new industrial plants and 29 commercial facilities.

Activity in the government sector fell off somewhat in 1985 but was offset by a marked increase in the area of Institutional Construction which registered an increase of 41.2% up from $7,694,900 in 1984 to $10,868,579 in 1985.

Most noteable among the new commercial and industrial developments are: General Motors' new plants and additions in Oshawa; the Loblaws new store and plaza and Alcan Aluminum's new plants in Pickering; Mandrell Mining Machines and J.H. McNairn Limited's warehouse extension in Whitby; I.T.T. Grinnell and Great Lakes Lamp Parts Limited in Ajax; Ontario Hydro's Administrative and service buildings and Charterways Limited in Newcastle; Tokai Seiki in Uxbridge and Langstaff Card's addition in Brock.

The Region of Durham gives high priority to economic development, success of large and small business and providing services to people of the community. The growth experienced in 1985 will continue into 1986 and beyond as a result of the key infrastructure in place in Durham Region which ties us to the largest urban marketplace in North America.

This position will be further enhanced by the major announcement in early 1986 by General Motors Corporation of Canada of a $2 billion investment in its automotive operations. This, along with over $4.2 billion invested since 1980, will form one of the most modern automotive manufacturing complexes in the world, to be called G.M. Autoplex. This will create many opportunities for investment and growth in the ensuing years for the Region of Durham.

THE YEAR IN REVIEW - FINANCIAL

Overview

As in past years, Regional Council exercised spending restraint and yet, kept within the overall Regional objectives and stated financial controls. **As a result, the budget impact on the average ratepayer was limited to 3.2% for general purposes and a rate increase of 5% for water and sewer customers.**

Also, Regional Council continued their prudent policy of budgetting a capital levy amount from current funds. In the 1985 general purpose budget, Regional Council set aside $875,500 as a special capital levy amount with incremental increases projected for future years which will eliminate long term borrowing for known projects. Moreover, approximately $6.1 million was provided in the water and sewer current budgets for capital expenditures to be financed from the 1985 current operations. In addition, no debentures were issued for the Region's share of costs of the 1985 capital projects which is in keeping with Regional Council's "pay as you go" policy.

Despite a budget increase less than inflation, Regional Council, through its adherence to strict financial controls along with continued vigilance on municipal spending, was able to complete the year with excellent financial accomplishments. The year's financial activities resulted in a consolidated fund balance (surplus) to be used to offset taxation and user charges of $4.7 million in 1985. This fund balance is comprised of $1.5 million for general purposes, $0.9 million for the waterworks system and $2.3 million for the sanitary sewerage system. The waste disposal system operation resulted in a breakeven position for the year. The budgetary savings which contributed to the surplus balances were a direct result of cost and other financial controls currently in place and carefully followed by staff as directed by the Chief Administrative Officer.

For the general fund, as mentioned previously, the surplus from operations was accomplished in a year when the general purpose budget increase had only a 3.2% impact on the average ratepayer, despite an inflation rate of approximately 4%. In constant dollars, the Regional levy has only increased from $203 per household in 1980 to $220 in 1985, which has increased the amount per household as a percentage of disposable income from 0.79% in 1980 to 0.93% in 1985.

In 1986, cost efficiencies from current policies will continue, resulting in a 1986 water and sewer rate increase of 4.1% which is consistent with the expected rate of inflation for the year while the general purpose levy will increase by 9.5% on the average ratepayer in Durham, a higher rate than the estimated 5% inflation rate which is a result of Regional Council's decision to provide for financing 100% of the 1986 capital projects from the current levy.

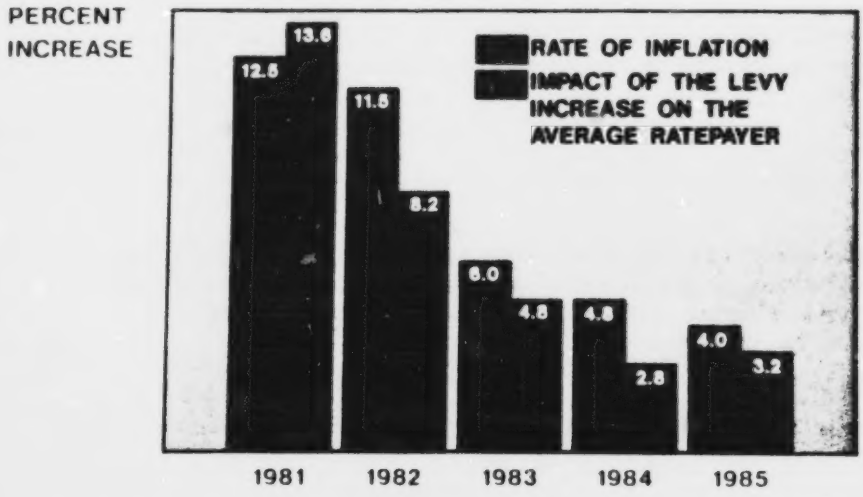
Regional Council has established sound financial policies, which are monitored carefully by senior staff. Strict adherence to these policies assure the financial stability and integrity of the Region of Durham in the future.

Regional Levy

The following exhibit compares the impact of the Regional levy on an average ratepayer to the rate of inflation for the last five years:

EXHIBIT 1

COMPARISON OF THE IMPACT OF THE REGIONAL LEVY ON AN AVERAGE RATE PAYER IN DURHAM TO THE RATE OF INFLATION FOR THE YEARS 1981 - 1985



Population and Taxable Assessment Growth

Taxable assessment increased in 1985 by 3.8% but, more notably, the population increased at a greater rate (5.2%). This positive trend is indicated in Exhibit 2.

Sources of Financing - Revenue Fund

The main sources of revenues in 1985 for Durham are presented in Exhibit 3.

The Province of Ontario has provided the Region with its major financing source by contributing $43.4 million or 37.0% of the total current revenues for 1985.

The other main sources of revenue and their percentage of the total current revenues for 1985 included:

- Regional Requisitions on Area Municipalities - $34.4 million - 29.3%
- User Charges for Water and Sewer - $27.0 million - 23.1%
- Fees and Service Charges - $10.5 million - 9.0%
- Other Sources - $1.8 million - 1.6%

EXHIBIT 2

POPULATION AND TAXABLE ASSESSMENT FOR THE YEARS 1981 - 1985

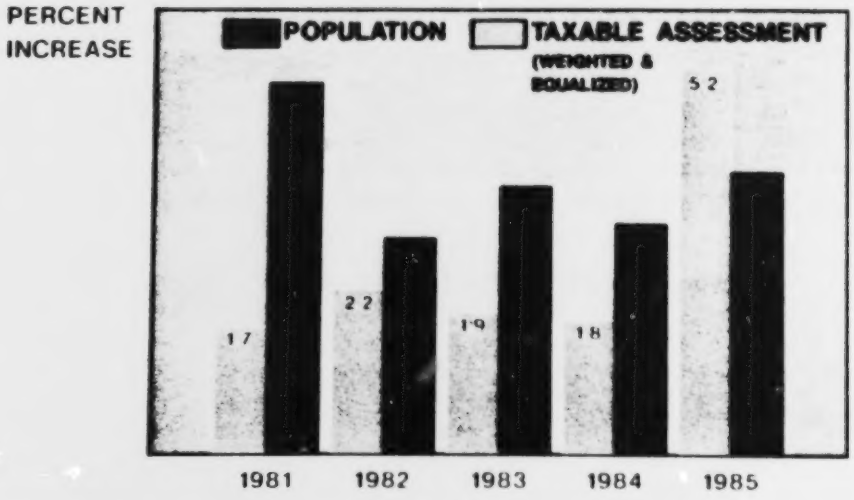
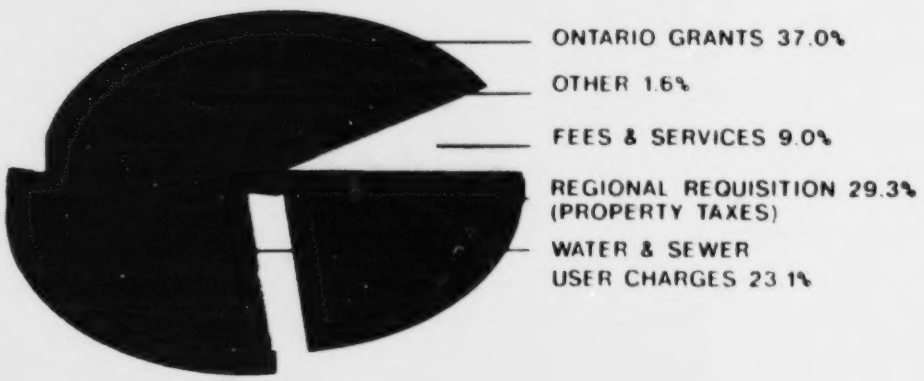


EXHIBIT 3

SOURCE OF FINANCING - REVENUE FUND



Expenditures - Revenue Fund

The 1985 expenditures for the Region of Durham are presented herewith according to their major functional headings.

Social and Family Services represent the major expenditure item at $37.2 million or 34.0% of total current expenditures. The cost of Social and Family Services includes welfare assistance, family counselling, day nursery services and the maintenance of Durham's three Homes for the Aged. These costs are directly related to programs established by the Province of Ontario and accordingly are extensively subsidized by the Province. In 1985, Durham experienced a dramatic decrease in the general welfare caseload. The number of cases decreased by approximately 11% from 1984 which contributed significantly to the overall general levy surplus position at the end of the year.

The cost for Protection to Persons and Property is $23.6 million or 21.5% of total expenditures. Of this amount, $22.6 million represents Police costs for the year while the balance represents the Regional share of the costs of various Conservation Authorities and the Emergency Measures program.

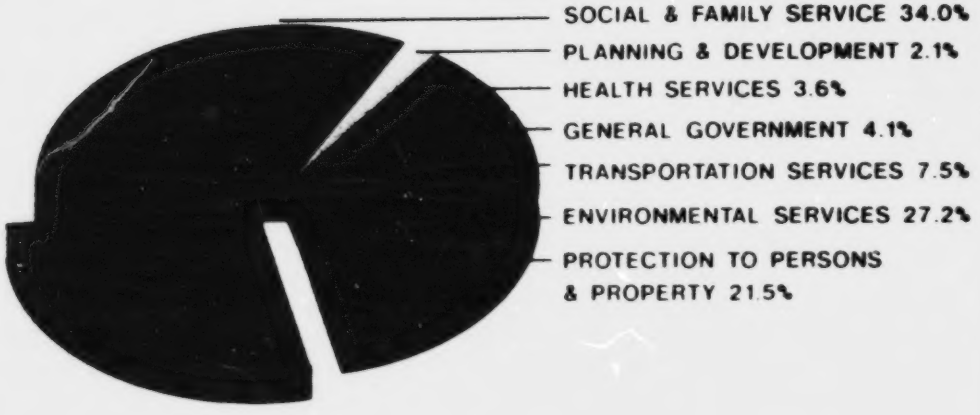
The balance of expenditures includes the following individual expenditures expressed in dollars and as a percentage of total expenditures:

- Environmental Services (water, sewer and waste disposal operations), $29.8 million - 27.2%
- Transportation Services (including traffic control), $8.2 million - 7.5%
- Health Services (including public health inspection), $4.0 million - 3.6%
- Planning and Development, $2.3 million - 2.1%
- General Government, $4.5 million - 4.1%

DURHAM

EXHIBIT 4

EXPENDITURES - REVENUE FUND



Waterworks and Sanitary Sewage Operation

The Region of Durham is responsible for the administration, operation and maintenance of the water supply and sanitary sewage systems.

Revenues required to finance these Regional functions are mainly raised on a user fee basis. In 1985, customers in most area municipalities of the Region made payments based on uniform Regional water and sewer rates. However, the Town of Whitby made a final contribution from certain funds under their control to keep the water rate for their ratepayers below the uniform Regional rates. All Regional water and sewer users will be paying the same rates in 1986.

The water and sewer revenues and expenditures are monitored very closely during the year to ensure that these specialized operations are financially viable. The 1985 operation of the waterworks system resulted in a surplus of $0.9 million due to an increase in revenues from the sale of water and service charges exceeding the amount projected. A high customer growth rate and large increase in water consumption, especially by the industrial and commercial sectors, helped to produce this overall surplus in the water operation.

Similarly, the 1985 operation for the sanitary sewage system resulted in a surplus of $2.3 million. As with the water operation, the direct billing revenues exceeded the amount projected.

The water and sewage operations within Durham are examined annually to ensure their financial stability and viability. In 1985, as in previous years, a tri-department study group, consisting of staff from the Works, Planning and Finance Departments, reviewed the financing and servicing of the Waterworks and Sanitary Sewage Systems. In addition, the water and sewer rates and rate structures were examined in detail to ensure that:

- the water and sewer rates are adequate and the rate structures are appropriate;
- the financial resources available to the water supply and sanitary sewage systems in the form of user revenues, development charge levies and other revenues are sufficient to meet anticipated expenditures; and
- the water and sanitary sewage systems are self-supporting and financially managed in the most efficient manner consistent with the needs of the ratepayers in Durham.

As a result of the 1984 study, the 1985 Regional water and sewer user rates were increased by 5.0% in order to provide the necessary financing for the water and sewer operations. Similarly, the 1985 study recommended and it was adopted by Regional Council that the water/sewer rates be increased by 4.1% in 1986 to keep in line with anticipated inflation.

In addition, Regional Council adopted the 1985 capital budget for water and sanitary sewer services which contained no provision for debenture financing of the Region's share of 1985 capital projects.

Durham will continue to monitor and review the costs and financing of the water and sewer operations annually to ensure efficiently managed and financially sound systems which will allow for future growth and yet not be a burden to the users of these systems.

Waste Disposal

The waste disposal operation also undergoes an extensive Works- Finance joint departmental review each year to ensure adequate financing and servicing.

The waste disposal operation in 1985 experienced a breakeven position and benefitted from a contribution from the General Purpose Fund of $660,191 to offset the expiration of the free disposal privileges at the waste disposal site operated by Metropolitan Toronto in the Town of Pickering.

The waste disposal operation will continue to be reviewed annually to ensure future tonnage expectations and thus future revenues will match the expenditures for operating the various landfill sites. At the same time, operating costs will continue to be examined closely each month to ensure that expenditures for Durham's disposal services are not excessive. Our reviews in this area are crucial in maintaining a "price responsive" waste disposal service to industry.

Reserves and Reserve Funds

Financing capital expenditures from Reserves and Reserve Funds continues to be a very significant and integral aspect of the overall financing of major capital projects. In 1985, $5.9 million ($6.8 million in 1984) was expended from reserves and reserve funds to finance capital expenditures and debenture debt charges. This reflects Regional Council's desire to pay, whenever possible, for capital expenditure relating to new residential growth from these funds which are collected mainly from residential developers for this purpose.

Reserves and reserve fund balances at the end of 1985 are $33.7 million. This is an increase of $6.8 million from 1984 and reflects the high rate of development taking place in Durham. Developers' lot levy contributions increased from a high of $5.2 million in 1984 to $6.9 million in 1985. By careful investment of these funds throughout the year, approximately $2.2 million in interest income was earned from the invested proceeds of the reserve funds. This income remains in the reserve funds to be applied against future capital requirements.

Capital Operations

The Finance Committee and Regional Council carefully scrutinize all funding of capital operations to ensure financing of as much capital expenditure from current revenues as possible, thereby maintaining the Region's established "pay-as-you-go" policy. In 1985, Durham spent $14.4 million on capital expenditure. Source of Capital Funds in 1985 was provided from current operations ($9.9 million), Provincial grants ($2.8 million) and other sources including Reserves and Reserve Funds ($3.9 million).

A summary of the 1985 capital operation is included in Exhibit 5.

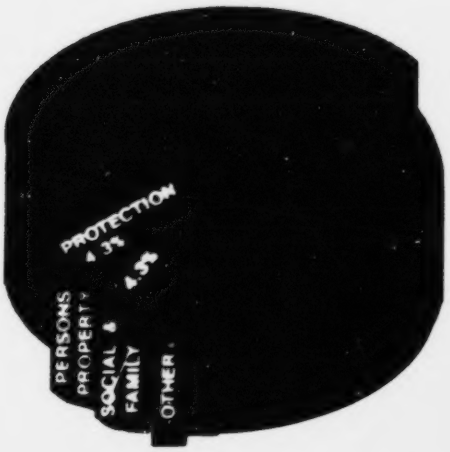
Exhibit 6 highlights Regional Council's "pay-as-you-go" capital spending policy over the years with approximately $130 million of capital expenditure financed from current operations and sources other than long term debt since the inception of the Region in 1974. This represents 69% of the total capital expenditures incurred from 1974 to 1985.

DURHAM

EXHIBIT 5

1985

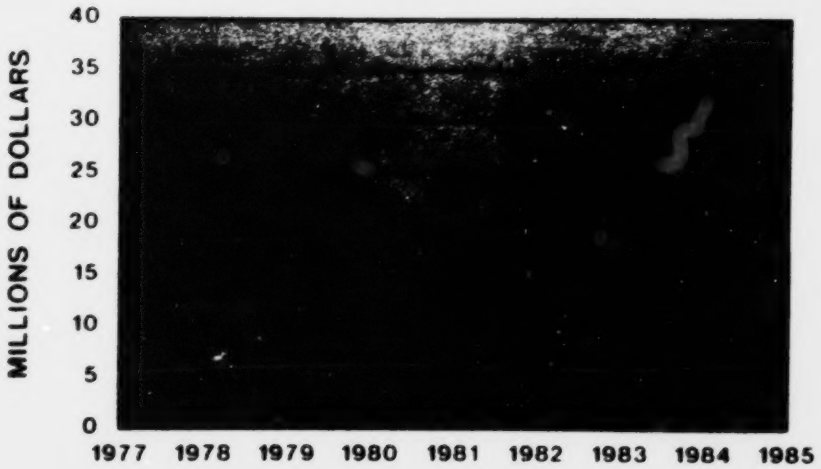
USE OF CAPITAL FUNDS



SOURCE OF CAPITAL FUNDS

EXHIBIT 6

REGIONAL COUNCIL'S "PAY-AS-YOU-GO" CAPITAL SPENDING POLICY

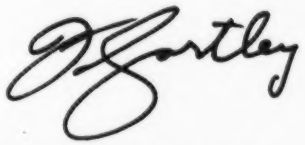


The financial integrity of the Region of Durham can be assured for the future by Regional Council's determination to finance capital projects, wherever possible, by means other than long term debt. With the inclusion of a special capital levy established in the 1984 current budget for general purposes and maintained in 1985 and the continual large contribution from water and sewer user funds for capital purposes ($6.1 million in 1985), the Region can be relatively assured that its prudent financial planning will benefit current and future taxpayers by means of lower interest costs.

At the same time, the Region has carefully managed its existing debt position such that the net long term liabilities have continued to decrease for general municipal purposes from a high of $24.69 per capita in 1979 to $11.00 per capita in 1985. Similarly, net long term liabilities for waterworks and sanitary sewer purposes on a per capita basis have declined from highs of $142.98 and $124.18 respectively in 1980 to $109.25 and $99.14 in 1985. The interest-free OHAP loans received from the Province of Ontario and used to finance water and sanitary sewage facilities, with a balance of $37.4 million at December 31, 1985, are repayable based upon the rate of development in the Region (i.e. the number of housing units registered in subdivisions annually). This repayment provision will benefit the Region of Durham's future cash flows and ensure long term financial stability.

In conclusion, the Region of Durham is experiencing a dynamic growth in terms of new development which is well recognized by investors and financial institutions. Many developments are underway for 1986. This, along with our solid economic base, will further enhance the Region's already strong financial position. Regional Council's rigid spending strategy, both in current and capital budget amounts, enhances the fiscal stability for our current ratepayers and will act as an encouragement for future growth as our anticipated fiscal accomplishments are realized.

Respectfully submitted,



J. L. Gartley, CMA,
Commissioner of Finance.

JLG:mew

DURHAM

COMPARISON OF CONSOLIDATED REVENUES AND EXPENDITURES

(All amounts in thousands of dollars)

REVENUE	1985	1984
REQUISITION - General Regional	[illegible]	[illegible]
ONTARIO GRANTS	49 194	[illegible]
OTHER - (mainly user service charges)	[illegible]	[illegible]
TOTAL REVENUE	[illegible]	[illegible]
PROCEEDS FROM THE ISSUE OF LONG TERM LIABILITIES	[illegible]	[illegible]
TOTAL	[illegible]	[illegible]

EXPENDITURE	1985	1984
GENERAL GOVERNMENT	4 874	5 173
PROTECTION TO PERSONS AND PROPERTY	24 236	22 716
TRANSPORTATION SERVICES	13 589	12 864
WATER WORKS	14 740	14 143
SANITARY SEWERS	17 582	19 031
OTHER ENVIRONMENTAL SERVICES	4 916	4 182
HEALTH SERVICES	3 988	3 809
SOCIAL SERVICES	17 938	18 262
SENIOR CITIZENS	[illegible]	14 841
DAY NURSERIES	[illegible]	[illegible]
FAMILY & CHILDREN'S SERVICES	1 078	958
PLANNING & DEVELOPMENT	2 364	2 244
TOTAL EXPENDITURE	124 150	120 424

(All dollar amounts are in thousands of dollars, except per capita figures)	1985	1984	1983	1982	1981	1980
1) Population at the end of the year	314,238	298,725	293,507	288,153	279,161	276,775
2) Area in hectares at the end of the year	246,587	246,587	246,587	246,587	246,587	246,587
3) Employees - continuous full time	1,628	1,637	1,601	1,582	1,551	1,554
4) Number of households	108,905	105,848	102,635	99,126	95,451	94,007
5) Revenue Fund Financing						
Requisition on area municipalities	$34,372	$31,820	$29,777	$27,645	$23,661	$20,290
Ontario grants	43,404	41,992	40,597	36,441	32,589	30,111
Other (mainly user service charges)	43,929	39,758	36,877	30,949	26,404	23,555
	$121,705	$113,570	$107,251	$95,035	$82,654	$73,956
6) Revenue Fund Expenditure						
General municipal	$122,832	$112,600	$106,292	$92,249	$81,867	$74,598
7) Net long term liabilities						
General municipal activities	$3,427	$4,056	$4,645	$5,277	$4,663	$5,492
- Per capita	$11.00	$13.58	$15.83	$18.31	$16.70	$19.84
Sanitary Sewage	$31,155	$33,292	$33,599	$34,527	$33,055	$34,370
Waterworks	$34,331	$36,336	$38,244	$39,183	$38,443	$39,574
Waste disposal	$1,015	$1,128	$1,253	$ 1,366	$ 411	$ 419
Industrial land	$900	$1,360	$1,700	$ 1,700	$ 1,700	$ 1,700
8) Charges for net long term liabilities						
General municipal activities	$1,144	$1,137	$1,315	$993	$1,285	$1,888
- Per capita	$3.64	$3.81	$4.48	$3.45	$4.60	$6.82
9) Capital financing during the year						
Contributions from own funds	$11,570	$10,635	$8,708	$5,835	$ 5,498	$ 6,118
Long term liabilities incurred	-	1,639	1,451	7,505	-	10,250
Ontario grants	2,790	3,113	4,423	5,588	6,078	6,863
Federal grants	185	290	-	-	281	1,066
Other	2,079	2,300	2,280	5,700	2,348	1,622
	$16,624	$17,977	$16,862	$24,628	$14,205	$25,919
10) Capital expenditure during the year	$14,362	$17,168	$16,004	$17,926	$17,592	$24,145
11) Revenue Fund Balance	$4,685	$5,812	$4,842	$3,883	$1,097	$310
12) Reserves and reserve funds	$33,751	$26,972	$22,751	$20,619	$19,351	$17,960

DURHAM

AUDITOR'S REPORT & FINANCIAL STATEMENTS

Deloitte
Haskins + Sells

Chartered Accountants

Bank of Commerce Building
2 Simcoe Street South
P.O. Box 800
Oshawa Ontario L1H 7N1
(416) 579-8202
(Toronto area 683-9051)

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Regional Municipality of Durham:

We have examined the consolidated balance sheet of the Corporation of the Regional Municipality of Durham as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the Regional Municipality of Durham as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

April 15, 1986

Licence No. 1113

DURHAM

CONSOLIDATED BALANCE SHEET
as at December 31, 1985

	1985 $	1984 $
ASSETS		
Unrestricted:		
Cash and Short Term Investments	34,643,211	28,862,997
Accounts receivable (net of allowance for doubtful accounts of $280,000 - 1985 and 1984)	18,653,376	15,924,580
Other current assets (Note 2)	2,106,527	2,250,982
	55,403,114	47,038,559
Restricted: (Note 7)		
Accounts receivable	24,031	21,647
Investment in own debentures	2,444,282	2,897,121
Other (Note 3)	650,167	562,773
	3,118,480	3,481,541
Capital outlay financed by long term liabilities and to be recovered in future years (Notes 2 and 4)	70,827,800	76,171,812
	129,349,394	126,691,912
LIABILITIES		
Accounts payable and accrued liabilities	12,917,026	12,435,243
Other current liabilities and deferred revenue	2,121,532	2,038,580
	15,038,558	14,473,823
Net long term liabilities (Note 5)	70,827,800	76,171,812
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1986		
- General Revenue	1,510,040	2,066,541
- Waterworks System	889,167	918,030
- Sanitary Sewage System	2,285,995	2,827,321
	4,685,202	5,811,892
Unexpended Capital Financing	5,047,145	3,261,927
Reserves (Note 6)	6,074,627	4,070,955
Reserve funds (Notes 7 and 12)	27,676,062	22,901,503
	43,483,036	36,046,277
	129,349,394	126,691,912

The accompanying notes are an integral part of these financial statements

DURHAM

CONSOLIDATED STATEMENT OF OPERATIONS
for the year ended December 31, 1985

	1985 Actual $	1984 Actual $
SOURCES OF FINANCING (Schedule 1)		
Requisition on Area Municipalities	34,371,850	31,820,103
User charges - Water and Sewer	27,040,023	24,482,490
Other user charges	10,533,245	9,115,373
Grants		
- Government of Canada	228,447	408,093
- Province of Ontario	46,193,515	45,104,627
Contribution from developers	7,592,623	7,794,951
Other	5,626,831	6,059,551
	131,586,534	124,785,188
Proceeds from the issue of long term liabilities	-	1,638,779
EXPENDITURES: (Notes 2,8,9,10 and 11) (Schedule 1)		
General government	4,874,127	5,173,330
Protection to persons and property	24,236,202	22,715,430
Transportation services	13,589,211	12,864,319
Environmental services	37,238,043	37,355,833
Health services	3,987,462	3,809,377
Social and family services	37,860,746	36,262,035
Planning and development	2,363,984	2,243,449
	124,149,775	120,423,773
EXCESS OF FINANCING OVER EXPENDITURES	7,436,759	6,000,194
FUND BALANCES AT THE BEGINNING OF THE YEAR	36,046,277	30,046,083
FUND BALANCES AT THE END OF THE YEAR	43,483,036	36,046,277

The accompanying notes are an integral part of these financial statements

1) MUNICIPAL STRUCTURE

The Regional Municipality of Durham came into existence on October 15, 1973 and assumed its responsibilities on January 1, 1974, under the authority of the Regional Municipality of Durham Act, 1973.

The Region comprises the following Area Municipalities:

City of Oshawa
Town of Ajax
Town of Newcastle
Town of Pickering
Town of Whitby
Township of Brock
Township of Scugog
Township of Uxbridge

and is responsible for services within these Area Municipalities related to the following:

- Financial, including all debt issues.
- Protection to persons and property, including Police, Conservation Authorities, Emergency Measures and Fire Co-ordination.
- Transportation Services, including all Regional Roadways and Traffic Control.
- Environmental Services, including Waterworks System, Sanitary Sewer System, Regional Storm Sewer System and Waste Disposal.
- Health Services, including public health services and inspections.
- Social and Family Services, including general assistance, homes for the aged and day nurseries.
- Planning, including official plan administration
- Industrial Development and Promotion

2) SUMMARY OF ACCOUNTING PRINCIPLES

a) Basis of Consolidation:

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds, the capital fund and includes the activities of the Board of Commissioners of Police.

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the municipality, including the Board of Commissioners of Police.

(iii) Trust Funds and Sinking Fund

The trust funds administered by the municipality are not included in these consolidated financial statements. The Net Long Term Liabilities and Capital Outlay to be Recovered in Future Years on the Consolidated Balance Sheet have been reduced by an amount equal to the sinking fund administered by the municipality. The Trust Funds and the Sinking Fund financial statements are disclosed separately.

b) Basis of Accounting:

(i) Accrual Basis of Accounting

Expenditures and their related sources of financing are reported on the accrual basis of accounting with the exception of principal charges on long term liabilities which are charged against operations in the periods in which they are paid. The principal charges are not accrued for the periods from the dates of the latest installment payments to December 31, 1985.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Fixed Assets

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness, the principal and interest on the long term indebtedness are also reported on the Consolidated Statement of Operations as they are incurred.

(iii) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years," which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

(iv) Inventories of Supplies

Inventories of supplies amounting to $1,134,553 ($1,218,806 in 1984) are included in other current assets and are valued at cost on the first-in, first-out basis.

3) **RESTRICTED ASSETS -- OTHER**

Other restricted assets are:

- costs for the purchase and development of industrial land in the amount of $502,223 ($441,557 in 1984) which is held for resale, and
- assets held by the Ministry of the Environment totalling $147,944 ($121,216 in 1984)

4) CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS

Certain capital outlay to be recovered in future years does not represent a burden on general regional revenues, as it is to be recovered in future years from other sources as follows:

	1985	1984
Special charges on benefitting landowners	$ 1,529,097	$ 1,638,436
Sanitary sewage operation	30,238,342	32,320,809
Waterworks operation	33,773,129	35,740,921
Waste disposal operation	1,014,900	1,128,374
	$66,555,468	$70,828,540

5) NET LONG TERM LIABILITIES

The balance of net long term liabilities reported on the Balance Sheet is made up of the following:

	1985	1984
Total long term liabilities incurred by the Region (including the former County of Ontario) and outstanding at the end of the year amount to	$81,447,303	$86,984,638
In addition, the Region has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is	6,050,640	7,561,775
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed:		
- by other municipalities and independent boards for a principal amount of	(15,724,690)	(17,064,555)
- by the Province of Ontario for the York/Durham Sewage System	(373,391)	(415,010)
The total value of the Sinking Fund and the balance in the Ministry of the Environment Debt Retirement Fund which has been accumulated to the end of the year to retire outstanding long term liabilities included above, amount to	(572,062)	(895,036)
Net long term liabilities at the end of the year	$70,827,800	$76,171,812

Approval of the Ontario Municipal Board has been obtained for these long term liabilities.

5) **NET LONG TERM LIABILITIES/Cont'd**

The repayment of the net long term liabilities are summarized below:

	1986	1987 to 1990	1991 to 1995	1996 and thereafter
	$	$	$	$
Waterworks Operation	3,186,273	10,092,841	10,168,367	10,883,347
Sanitary Sewage Operation	2,744,683	12,307,099	10,208,586	5,894,960
Police	291,463	1,185,039	119,000	-
Roads and Storm Sewers	197,056	284,424	-	-
Homes for the Aged	133,781	748,420	439,390	28,171
Industrial Land Development	600,000	300,000	-	-
Waste Disposal	128,656	527,244	359,000	-
	7,281,912	25,445,067	21,294,343	16,806,478

Included in Net Long Term Liabilities on the Consolidated Balance Sheet are the following:

A) An amount of $16,922,732 payable in United States dollars, which was converted into Canadian dollars at the rate of exchange prevailing when the liability was incurred. If the liability is converted into Canadian dollars at the exchange rate prevailing at December 31, 1985, the liability would be increased by $4,121,054 (1984 - $3,222,792).

B) An amount of $37,455,660 in Ontario Housing Action Program loans. These loans assist the Region in financing the installation of trunk water and sanitary sewer systems within the Region. Such loan amounts are interest free and are repayable in accordance with formulae related to the registration of plans of subdivisions in the Towns of Ajax, Pickering, Newcastle, Whitby and the City of Oshawa, on which the Region of Durham can collect development charge levies.

6) **RESERVES**

The reserves are comprised of the following:

	1985	1984
Working capital	$1,665,286	$1,654,681
Equipment replacement	1,146,881	1,033,722
Contingencies	400,000	400,000
Sick Leave	711,401	607,864
Capital construction	439,030	374,688
Debenture Repayment - Sewage	1,712,029	-
	$6,074,627	$4,070,955

7) **RESERVE FUNDS**

The reserve funds are comprised of the following:

	1985	1984
Development Charge Levies - General Purposes	$ 946,566	$ 867,186
Development Charge Levies - Roads	1,230,952	699,287
Development Charge Levies - Sanitary Sewage	6,189,518	5,080,009
Development Charge Levies - Waterworks	6,875,130	5,127,232
Development Charge Levies - Fixed Charges	2,083,519	1,892,548
Regional Share of Sanitary Sewage Works	1,918,802	1,438,485
Regional Share of Waterworks	3,426,412	3,287,586
Rate Stabilization - Sewage	72,229	66,758
Rate Stabilization - Waterworks	375,835	347,361
Industrial Land	574,138	530,663
Roads Property Acquisition	199,752	192,319
Foreign Exchange	286,961	265,223
Ministry of the Environment	147,944	121,217
Solid Waste Disposal	79,578	127,506
Insurance	817,487	628,220
Brooklin Development	2,451,239	2,229,903
	$27,676,062	$22,901,503

The following are the assets of the Reserve Funds:	1985	1984
Promissory Note From The Revenue Fund (eliminated on Consolidated Balance Sheet)	$24,557,582	$19,419,962
Accounts Receivable	24,031	21,647
Investment in own debentures	2,444,282	2,897,121
Other	650,167	562,773
	$27,676,062	$22,901,503

8) **SUPPLEMENTARY PENSION PLAN - REGIONAL POLICE**

At December 31, 1985 the Region's calculation placed the liability for the unfunded past-service portion of this pension to be $597,627. No provision has been made for this liability as this amount will be amortized and charged to Police expenditures in equal amounts of $114,788 per year with the final installment due in 1992.

9) **LIABILITY FOR VESTED SICK LEAVE BENEFITS**

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating, amounted to approximately $9,253,000 at the end of the year (1984 - $8,477,000). A provision for sick leave reserve in the amount of $711,401 (1984 - $607,864) has been made for this liability and is reflected on the Consolidated Balance Sheet. An amount of $103,537 (1984 - $243,505) has been provided for in the current year and is reported on the Consolidated Statement of Operations.

10) CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long term liabilities which are reported on the Consolidated Statement of Operations are as follows:

	1985	1984
- Principal payments, including contributions to the Sinking Fund and to the Ministry of the Environment Debt Retirement Fund	$5,247,505	$4,790,715
- Interest	4,633,625	4,713,871
	$9,881,130	$9,504,586

Of the total 1985 charges shown above, $1,144,292 was paid from general municipal revenues of the municipality, $3,451,044 was recovered from the waterworks operation, $4,520,185 from the sanitary sewage operation, $288,609 from the waste disposal operation and $477,000 is to be recovered from future industrial land sales. These amounts are included on the Consolidated Statement of Operation classified under the appropriate functional expenditure headings.

11) CONTRACTUAL OBLIGATIONS

A) SANITARY SEWAGE SYSTEMS:

The Region has entered into an agreement with the Province of Ontario and the Regional Municipality of York whereby the Province will provide sanitary sewage services to portions of the Regions of Durham and York. Under this agreement, the Province will construct and finance sewage plant facilities, and charge the Regions for the capital and operating costs of the facilities based on a sewage service rate. The sewage service rates for the years 1983-1986 are as follows:

1983 - 90¢ per thousand gallons
1984 - 94¢ per thousand gallons
1985 - 98¢ per thousand gallons
1986 - 127¢ per thousand gallons

In addition, under the Regional Municipality of Durham Act, 1973, the Region has assumed the responsibility for the payment of Sanitary Sewage operating costs from the former local municipalities in agreements with the Ontario Water Resources Commission and Ministry of the Environment. The average sanitary sewage service rate for the five sewage systems was 69¢ per thousand gallons in 1985. The previous agreements between local municipalities and the Ontario Water Resources Commission and Ministry of the Environment are presently being renegotiated to reflect a change in ownership and operations to the Region of Durham.

B) LEASE COMMITMENT

The Region has commitments under various building lease agreements expiring in 1987, 1988, 1989 and 1995. These leases require an annual rental expense of approximately $416,000.

C) LIQUID DIGESTED SLUDGE REMOVAL

The Region has an agreement for the hauling of liquid digested sludge at the annual rates of $20 to $24 per 1000 Imperial Gallons for the years 1985 to 1988. The approximate annual cost is $490,000 to $560,000 for the years 1985 to 1988.

12) **CONTINGENT LIABILITY - Brooklin Development**

In 1984, the Region of Durham cashed certain letters of credit which were held as security to be drawn upon for application by the Region towards the cost of providing sewerage works and/or additions or alterations to the existing water supply system within or to the Brooklin Area. Subsequent to the cashing of the letters of credit, the developer initiated litigation proceedings against the Region in the amount of $3.1 million which includes $1 million for punitive damages. The Region believes that the developer will not be successful in his claim.

SUPPORTING SCHEDULES

DURHAM

DURHAM

SCHEDULE 1
SCHEDULE OF CONSOLIDATED OPERATIONS
for the year ended December 31, 1985

	Revenue Fund		Capital Fund	Reserves and Reserve Funds	1985 Total
	Budget	Actual	Actual	Actual	Actual
	$	$	$	$	$
SOURCES OF FINANCING					
Requisition on Area Municipalities	33,612,118	34,371,850			34,371,850
User Charges - Water and Sewer	24,378,363	27,040,023			27,040,023
Other User Charges	10,281,664	10,533,245			10,533,245
Grants					
- Government of Canada	265,309	43,382	185,065		228,447
- Province of Ontario	44,196,078	43,403,957	2,789,558		46,193,515
Contribution from developers	-	-	694,946	6,897,677	7,592,623
Other	958,892	1,773,520	1,384,528	2,468,783	5,626,831
	113,692,424	117,165,977	5,054,097	9,366,460	131,586,534
Proceeds from the issue of long term liabilities	-	-	-	-	-
EXPENDITURES:					
General government	4,329,116	4,533,388	340,739	-	4,874,127
Protection to persons & property	23,885,984	23,588,887	618,690	28,625	24,236,202
Transportation services	7,397,744	8,167,210	5,347,363	74,638	13,589,211
Environmental services	29,956,031	29,792,679	7,405,448	39,916	37,238,043
Health services	4,171,625	3,976,778	10,684	-	3,987,462
Social and family services	38,558,829	37,241,012	619,734	-	37,860,746
Planning and development	2,023,472	2,344,854	19,130	-	2,363,984
	110,322,801	109,644,808	14,361,788	143,179	124,149,775
EXCESS OF FINANCING OVER EXPENDITURES	3,369,623	7,521,169	(9,307,691)	9,223,281	7,436,759
APPROPRIATIONS:					
Net appropriations between funds	(9,119,623)	(8,647,859)	11,092,909	(2,445,050)	-
FUND BALANCES AT THE BEGINNING OF THE YEAR	5,750,000	5,811,892	3,261,927	26,972,458	36,046,277
FUND BALANCES AT THE END OF THE YEAR	-	4,685,202	5,047,145	33,750,689	43,483,036

DURHAM

SCHEDULE 2
SUMMARY SCHEDULE OF
CONTINUITY OF RESERVE FUNDS
for the year ended December 31, 1985

	1985 $	1984 $
Balance at the beginning of the year	22,901,503	19,142,122
Revenue		
Interest on investments	2,190,696	2,080,970
Development charge levies	6,897,678	5,204,526
Contributions from the revenue fund	590,964	419,923
Brooklin Development	-	2,150,000
Other	226,649	118,391
Total revenue	9,905,987	9,973,810
Expenditure		
Debt charges and capital expenditures		
- general activities	310,000	929,886
- sanitary sewage operation	2,270,543	1,807,899
- waterworks operation	1,405,850	1,328,144
- waste disposal operation	60,577	-
	4,046,970	4,065,929
Contributions to capital fund	941,279	1,942,571
Other	143,179	205,929
Total expenditure	5,131,428	6,214,429
Balance at the end of the year	27,676,062	22,901,503

SCHEDULE 3
CONTINUITY OF RESERVE FUNDS
for the year ended December 31, 1985

	Development Charge Levies												
	General Purpose $	Roads $	Sewage (Sched-4) $	Waterworks (Sched-5) $	Fixed Charges $	Industrial Land $	Roads Property Acquisition $	Foreign Exchange $	Ministry of the Environment $	Solid Waste Disposal $	Insurance $	Brooklin Development	Total $
Balance at beginning of year	867,186	699,287	6,585,252	8,762,179	1,892,548	530,663	192,319	265,223	121,217	127,506	628,220	2,229,903	22,901,503
Revenue:													
Interest on investments	70,800	54,519	716,989	805,695	158,591	43,475	17,228	21,738	14,564	7,469	58,292	221,336	2,190,696
Development charge levies	8,580	787,146	3,122,717	2,644,477	334,758								6,897,678
Contribution from revenue fund			252,000	148,000						5,180	185,784		590,964
Other			136,912				64,843		12,163		12,731		226,649
Total Revenue	79,380	841,665	4,228,618	3,598,172	493,349	43,475	82,071	21,738	26,727	12,649	256,807	221,336	9,905,987
Expenditure:													
Debt charges and capital expenditure													
- general activities		310,000								60,577			370,577
- sewer/water operations			2,157,543	1,293,850	225,000								3,676,393
Contribution to capital fund			474,777	389,124	77,378								941,279
Other			1,001				74,638				67,540		143,179
Total Expenditure	-	310,000	2,633,321	1,682,974	302,378	-	74,638	-	-	60,577	67,540	-	5,131,428
Balance at end of year	946,566	1,230,952	8,180,549	10,677,377	2,083,519	574,138	199,752	286,961	147,944	79,578	817,487	2,451,239	27,676,062

SCHEDULE 3
CONTINUITY OF RESERVE FUNDS
for the year ended December 31, 1985

SCHEDULE 4
SEWAGE RESERVE FUNDS
for the year ended December 31, 1985

	Rate Stabilization	City of Oshawa Sewers/Sewage Treatment	Town of Pickering	Development Charge Levies	Regional Share of Sewage Works	Total
	$	$	$	$	$	$
Balance at beginning of year	66,758	21,648	4,759	5,053,602	1,438,485	6,585,252
Revenue:						
Interest on investments	5,471	2,383	-	578,820	130,315	716,989
Development charge levies				2,685,849	436,868	3,122,717
Contribution from revenue fund					252,000	252,000
Other					136,912	136,912
Total Revenue	5,471	2,383	-	3,264,669	956,095	4,228,618
Expenditure:						
Debt charges and capital expenditure - sanitary sewage operation			4,759	2,152,784		2,157,543
Contribution to capital fund					474,777	474,777
Other					1,001	1,001
Total Expenditure	-	-	4,759	2,152,784	475,778	2,633,321
Balance at end of year	72,229	24,031	-	6,165,487	1,918,802	8,180,549

SCHEDULE 4
SEWAGE RESERVE FUNDS
for the year ended December 31, 1985

SCHEDULE 5
WATER RESERVE FUNDS
for the year ended December 31, 1985

	Rate Stabilization	Town of Whitby	Development Charge Levies	Regional Share of Waterworks	Total
		$	$	$	$
Balance at beginning of year	347,361	32,986	5,094,246	3,287,586	8,762,179
Revenue:					
Interest on investments	28,474		502,785	274,436	805,695
Development charge levies			2,538,963	105,514	2,644,477
Contribution from revenue fund				148,000	148,000
Total Revenue	28,474	-	3,041,748	527,950	3,598,172
Expenditure:					
Debt charges and capital expenditure - waterworks operation		32,986	1,260,864		1,293,850
Contribution to Capital Fund				389,124	389,124
Total Expenditure	-	32,986	1,260,864	389,124	1,682,974
Balance at end of year	375,835	-	6,875,130	3,426,412	10,677,377

SINKING FUND

DURHAM

Auditor's Report And Financial Statements

Deloitte
Haskins+Sells

Chartered Accountants

Bank of Commerce Building
2 Simcoe Street South
P.O. Box 800
Oshawa, Ontario L1H 7N1
(416) 579-8202
(Toronto area 683-9051)

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Regional Municipality of Durham:

We have examined the sinking fund balance sheet of the Corporation of the Regional Municipality of Durham as at December 31, 1985 and the sinking fund statement of continuity for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the sinking fund of the Corporation of the Regional Municipality of Durham as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

April 15, 1986

Licence No. 1113

STATEMENT OF CONTINUITY
for the year ended December 31, 1985

	Debt Retirement Fund	
	1985	1984
	$	$
Balance at the beginning of the year	71,710	53,178
Contribution from the waterworks operation	30,243	30,243
Interest earned	38,392	28,817
	68,635	59,060
Actuarial requirement for the year	42,554	40,528
Balance at the end of the year	97,791	71,710

BALANCE SHEET
as at December 31, 1985

	Debt Retirement Fund	
	1985	1984
		$
Assets		
Investments - at amortized cost (market value $415,230-1985; $309,146-1984)	386,580	317,945
Total	386,580	317,945
Liability		
Actuarial requirement for retirement of debenture	288,789	246,235
Fund Balance	97,791	71,710
Total	386,580	317,945

NOTES TO SINKING FUND FINANCIAL STATEMENTS - DECEMBER 31, 1985

1) Investments

All investments are purchased with the intention of holding them until maturity and are recorded at cost price adjusted annually for amortization of discount or premium on the straight line basis as determined at the date of purchase with the amount of such amortization included in the interest earned on the Statement of Continuity.

2) Actuarial Requirements

The actuarial requirements of the sinking fund represent the amounts levied during the year as set out in the sinking fund debenture by-law plus interest thereon capitalized at a rate of 5% per annum compounded annually. Any excess revenue over these requirements is included in the sinking fund balance.

TRUST FUND

DURHAM

Auditor's Report And Financial Statements

Deloitte
Haskins+Sells

Chartered Accountants

Bank of Commerce Building
2 Simcoe Street South
P.O. Box 800
Oshawa, Ontario L1H 7N1
(416) 579-8202
(Toronto area 683-9051)

To the Members of Council, Inhabitants and Ratepayers
of the Corporation of the Regional Municipality of Durham:

We have examined the trust fund balance sheet of the Corporation of the Regional Municipality of Durham as at December 31, 1985 and the statement of continuity of trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

In common with many funds of a similar nature, the Region derives the majority of its trust fund capital receipts in the form of contributions on behalf of the residents of the Homes for the Aged which are not susceptible to complete audit verification. Accordingly, our verification of revenue from this source was limited to accounting for the amounts recorded in the records of the trust funds.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had capital receipts on behalf of the residents been susceptible to complete audit verification, these financial statements present fairly the financial position of the trust funds of the Corporation of the Regional Municipality of Durham as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Auditors

April 15, 1986

Licence No. 1113

STATEMENT OF CONTINUITY

for the year ended December 31, 1985

	Total	Homes for the Aged			Campbell	Social
		Operating	Donations	Bequests	Bequest	Services
	$	$	$	$	$	$
Balance at the beginning of the year	1,194,007	865,543	24,016	300,041	3,450	957
Capital receipts on behalf of:						
Residents	622,893	566,891	35,162	20,840	-	-
Welfare Recipients	74,723	-	-	-	-	74,723
Interest earned	101,698	72,979	1,667	27,052	-	-
Total receipts	799,314	639,870	36,829	47,892	-	74,723
Expenditures on behalf of:						
Residents	575,714	571,736	3,978	-	-	-
Welfare Recipients	75,299	-	-	-	1,465	73,834
Total expenditures	651,013	571,736	3,978	-	1,465	73,834
Balance at the end of the year	1,342,308	933,677	56,867	347,933	1,985	1,846

BALANCE SHEET

as at December 31, 1985

	Total	Homes for the Aged			Campbell	Social
		Operating	Donations	Bequests	Bequest	Services
	$	$	$	$	$	$
Assets						
Cash and accrued interest	211,102	146,159	56,867	4,245	1,985	1,846
Short term investments	1,131,206	787,518	-	343,688	-	-
Total assets	1,342,308	933,677	56,867	347,933	1,985	1,846
Fund Balance	1,342,308	933,677	56,867	347,933	1,985	1,846